January 26, 1996

TO:

Minerals File

FROM:

Joelle Burns, Engineering Tech

RE:

Documentation of Phone Call, American Stone 100 & 101 Mine, S/055/016,

Wayne County, Utah

On December 7, 1995, I placed a phone call to Buzz Rakow of the BLM's Henry Mountain Resource Area. The BLM had forwarded a copy of a notice for American Stone's 100 & 101 mining application. The map accompanying the notice stated the site was located in Section 8, T29S, R5E; however a letter addressed to the BLM, Attention Larry Sip, which accompanied the notice stated it was in Section 17. I called to get verification. Mr. Rakow said it was in section 8.

Buzz told me that Larry Sip worked for the BLM @18? years previous. (It was noticed that the date had been crossed out of the letter that accompanied the notice). Buzz also told me that this area had been mined back in 1990 and 1991. The mining stopped in 1991. The BLM later found out that it was Mr. Lon Thomas doing the mining. The BLM sent a letter to Mr. Thomas, but Mr. Thomas did not come back in until December 1995, and started mining again, without a permit. The BLM stopped the workers until Mr. Thomas submitted a notice.

Lon Thomas went in to the BLM offices and said he didn't know he needed permits and what did he need to do. The BLM whipped out the 1991 letter and showed it to him, showing that he was fully aware that he needed to permit; hence the notice which was copied to us.

Buzz Rakow told me that the material Mr. Thomas was mining may be considered common variety. A study needed to be done. If it is determined to be common variety, Mr. Thomas will owe the BLM a great deal of money; the BLM can go back seven? years. Buzz told me the BLM has a file going back to 1983-84 on this operation with Mr. Thomas.